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A MURKY FUTURE FOR THE COAL INDUSTRY UNDER THE TRUMP ADMINISTRATION

Natural Resource (/full-blog/category/Natural+Resource)

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Following Donald Trump's multitude of seemingly blustery campaign promises, the potential beneficiaries of such promises have patiently awaited signals that our new president will keep his word. Among assurances that Mexico will pay for a border wall and that America will be "great" again, Trump also made a promise to coal country that he would stop the "War on Coal" and get miners back to work.[i] This specific promise is rather daunting from the viewpoint of some experts, like members of the Institute for Energy Economics and Financial Analysis, who said, "Promises to create more coal jobs will not be kept—indeed the industry will continue to cut payrolls. These losses will, in-part, be related to the coal industry's long-term business model of producing more coal with fewer workers."

The coal industry faces an uphill battle not unfamiliar to trade economists. As science and technology advances, so too must existing industries. Additionally, the economic concept of comparative advantage explains that societies develop from labor-based industries toward research and innovation—a clearly visible phenomenon in modern society. Coal jobs are disappearing, at least in part, because our energy needs are developing beyond the use of coal. For example, some sources suggest that coal jobs are disappearing due to a surge in natural gas.[i] The Department of Energy released a report detailing the decline of coal in the national energy usage by over 50 percent. [ii]





<http://i2.cdn.turner.com/money/dam/assets/161011115604-ohio-donald-trump-coal-780x439.jpg>

Recently, however, the coal industry has experienced some pocket resurgence in the international market after experiencing a record decline in 2016.[iii] Thomson Reuters Supply Chain and Commodity Forecasts have tracked the coal revival and posit that the good fortune of the American coal industry is mainly due to Chinese domestic policies that are driving up coal demands.[iv] Adele Morris, a senior fellow and policy director at the Climate and Energy Economics Project at the Brookings Institution warns that Trump's message that coal jobs will return is harmful in the long run.[v] She notes that coal experiences natural ebbs and flows in the export market and such fluctuations have almost nothing to do with the current administration. However, as is to be expected of his character while in office, Trump has been quick to claim the credit for the recent coal boom.[vi]

Among Trump's claims are his exit of the Paris Climate Accord and the repeal of the Stream Protection Rule, both of which were supported by the Obama administration.[vii] However, even a spokesman for the United Mine Workers of America noted that while those actions have boosted morale in the industry, job losses are unrelated to either action because neither had been implemented yet.[viii] Unfortunately, airy promises to prop up a waning trade will likely only cause lasting damage to America's heartland, and those who have supported the President's rhetoric—specifically pertaining to coal—may be the first to watch their lights go out.

[i] *Id.*

[ii] *Id.*

[iii] Matthew Daigle & Katy Brown, *Coal on the rise in China, US, India After Record 2016 Drop*, Bus. Insider (June 26, 2017), <http://www.businessinsider.com/ap-coal-on-the-rise-in-china-us-india-after-record-2016-drop-2017-6>.

[iv] Clyde Russell, *US. Coal exports surge, but thank China, not Trump*, Reuters (July 31, 2017), <https://www.reuters.com/article/us-column-russell-coal-usa/u-s-coal-exports-surge-but-thank-china-not-trump-russell-idUSKBN1AG0CC>.

[v] Carmen Forman, *Virginia Coal is Rebounding, but is Donald Trump to Thank?*, Roanoke Times (Aug. 20, 2017), http://www.roanoke.com/townnews/economics/virginia-coal-is-rebounding-but-is-donald-trump-to-thank/article_c330c251-9108-536d-8c48-f1c17ec602fa.html.

[vi] *Id.*

[vii] *Id.*

[viii] *Id.*

[i] James Bruggers, *Trump Will End So-called "War on Coal"*, The Courier-Journal (November 11, 2016) <http://www.courier-journal.com/story/tech/science/environment/2016/11/11/trump-presidency-end-so-called-war-coal/93537586/?cookies=&from=global>.

[ii] Darryl Fears, *Trump Promised to Bring Back Coal Jobs. That Promise "Will Not be Kept," Experts Say*, The Wash. Post, March 29, 2017, https://www.washingtonpost.com/news/energy-environment/wp/2017/03/29/trump-promised-to-bring-back-coal-jobs-that-promise-will-not-be-kept-experts-say/?utm_term=.11cd95f7461d.

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